

REPORT OF FOREIGN MINISTER ARITA TO THE
PRIVY COUNCIL AT ITS MEETING 29 NOVEMBER 1938
(SHOWA 13) DEALING WITH THE FOREIGN POLICY
TOWARDS CHINA.

The policy for the adjustment of the new Sino-Japanese relations.

As to the policy for the adjustment of the new Sino-Japanese relations, it is our intention to proceed on the basis of the following points with a view to establishing a new order in East Asia through mutual collaboration in political, economic and cultural fields among Japan, Manchukuo, and China:

I The problem of making peace with the Chiang Kai-shek Regime.

First of all, as to the problem of making peace with the Chiang Kai-Shek Government, the British Ambassador to Japan made the other day an unofficial proposal to Premier Konoye. Our side rejected it on the ground that the time was not yet opportune. It is our policy not to carry this out, irrespective of whether the proposal is made through the mediation of a third power or directly from the Chiang Kai-Shek Government. However, as declared in our Government's statement of November 3rd this year, if the Chiang Kai-Shek Government should abandon its pro-Comintern and anti-Japanese policy, reform the composition of its organization, and voluntarily dissolve its regime and merge with the New Central Government, a different consideration would be given to the matter.

II The adjustment of diplomatic relations with the New Central Government.

So long as we are not to make peace with the Chiang Kai-Shek Government, as stated above, our country will foster the establishment of a solid New Central Government on the basis of the pro-Japanese regime which has been already established and others which are scheduled to be newly established in Hankow and Canton, and, after the New Central Government has been firmly established, we hope to achieve the following programs with the New Central Government:

A. The realization of the principle of general collaboration among Japan, Manchukuo, and China, especially the principles of good neighborly, friendship, joint defense against the Comintern, and economic cooperation.

B. The establishment in North China and Mengchiang of a zone of a high degree Sino-Japanese unity in defense and economic spheres (especially the development and utilization of natural resources).

In addition to the foregoing, the establishment in Mengchiang of a special military and political zone for anti-Comintern purpose especially.

C. The establishment along the lower basin of the Yangtze River of a zone of high degree Sino-Japanese unity in economic collaboration.

D. In South China, besides the establishment of special zones on certain specified islands along the coast, endeavours shall be made to secure the foundation of Sino-Japanese cooperation and collaboration, with the major cities and towns as the starting points.

I shall now explain hereunder the foregoing items in more details. The first item, that is, the realization of the principle of neighborly friendship, involves the following points:

(1) The recognition of Manchukuo by China. China shall recognize Manchukuo; both Japan and Manchukuo shall respect the territorial integrity and sovereignty of China; and Japan, Manchukuo and China shall establish new diplomatic relations with each other.

(2) In the various fields of politics, diplomacy, education, propaganda and trade, Japan, Manchukuo, and China shall remove, and also prohibit in the future, measures and causes which mutually destroy the friendly relations among them.

(3) Japan, Manchukuo, and China shall cooperate with each other to harmonize, create and develop the culture of the three countries.

Regarding the second item, namely, the principle of joint defense, we hope to have Japan, Manchukuo, and China, with the chief objects of jointly defending themselves against the Comintern and at the same co-operating with each other in the maintenance of common public order and peace, adopt the following program:

(1) Cooperation of Japan, Manchukuo, and China against the Comintern.

(2) Enforcement of joint Sino-Japanese defense against the Comintern. For this purpose, Japanese Army is to be stationed in North China and Mengchiang.

(3) The conclusion of a Sino-Japanese military alliance against the Comintern.

(4) The early withdrawal of Japanese troops, excepting the stationing of troops in specified zones, points, and islands for the purpose of guarantee and the maintenance of public peace and order.

(5) Financial cooperation on the part of China with respect to the stationing of Japanese troops in China for the purpose of co-operation in maintaining public peace and order.

(6) The reservation of military demands and right of supervision over railways, aviation, communications, principal harbours, waterways, etc., and cooperation in the improvement and adjustment of Chinese Army and police force.

Finally, in regard to the principle of economic cooperation, we desire that Japan, Manchukuo, and China, shall, in accordance with the aim of common reciprocity based on the object of making up each other's deficiencies and supplying each other's needs in respect to industry and economics with the view to realizing the fruits of mutual link and joint defense, conclude agreements which may be necessary to realize the following items with respect to the development of resources, customs, trade, aviation, transportation, communication, meteorological observations and surveys in the three countries:

(1) Regarding the development and utilization of natural resources, emphasis shall be laid on the securing from North China and Mengchiang of those resources, especially underground resources, which Japan and Manchukuo lack. For this purpose China shall offer every possible facility. Likewise, in other districts, also, China shall offer necessary facilities for the development of specified resources.

(2) For the establishment of China's financial and economic policies, Japan shall render such aids as may be required.

(3) In regard to trade, appropriate customs and maritime customs system shall be adopted, so as to promote the general trade among Japan, Manchukuo, and China.

(4) Necessary assistance and cooperation shall be given for the development of transportation, communications, meteorological observations, surveys, etc., in China.

III With respect to the powers' interests and rights in China, the Japanese Government has, as may be seen from its repeated statements and guarantees, tried its best to respect these rights and interests. However, due to military necessities, etc., some restrictions have been imposed. Recently, Britain, the United States, etc., have made various representations based on the principle open-door and equal opportunity. In this connection, it is the intention of the Imperial Government to cope with the situation by adopting the policy of examining the so-called open-door and equal opportunity principle from the standpoint of the establishment of a Japan-Manchukuo-China economic bloc based upon the necessities for the existence and defense of our Empire, and of not recognizing such a principle within the extent that it is incompatible with this standpoint.

To put the above in a concrete form, our chief objects are that:

(a) Japan shall control in substance the development of natural resources for national defense in principally North China and Mengchiang.

(b) The currency system, customs, and maritime customs system in new China shall be adjusted from the standpoint of Japan-Manchukuo-China economic bloc.

So long as the powers' rights and interests in China do not conflict with the foregoing two objects, we will not purposely exclude and restrict them. Furthermore, to those countries which, like Germany and Italy, show a friendly attitude towards Japan, it is our policy to welcome their participation in the economic development of new China.

Diplomatic policy towards the third powers.

As regards the diplomatic policy towards the third powers, in view of the attitude of Britain, the United States, and France of interfering with Japan's policy toward China by bringing out the Nine-Power Treaty, we shall endeavor to reject the idea of disposing of the Chinese problem by the Nine-Power Treaty and other collective machinery. At the same time, with the object of forcing the powers individually to understand the facts our policy toward China and either voluntarily support our country's attitude or at least stand by idly through the reinforcement of the anti-Comintern axis of Japan, Germany and Italy, and disposing of the China Affair as quickly and clearly as possible, we wish to adopt measures according to the following outline:

(1) To strengthen the political relations among Japan, Germany, and Italy, and the economic cooperation among Japan, and Manchukuo on the one side and Germany and Italy on the other.

(2) To strive, through the powerful and clear disposition of the China Affair, to make Britain, the United States, and France understand de facto our policy toward China and individually abandon their past policy of aiding the Chiang Kai-Shek regime and their idea of disposing of the East Asiatic question by means of collective machinery. As the instrument of these moves against the above three countries, particularly Britain, utilization should be made of the guarantee of their rights and interests in China. Besides the adoption of great diplomatic measures, such especially against Britain, besides big diplomatic as the reinforcement of the Anti-Comintern Pact among Japan, Germany, and Italy. However, in order to avoid unnecessary frictions, those individual pending cases which are harmless to the superior position occupied by Japan in East Asia shall be settled one after another.

(3) To carry out every possible measure for making the Soviet Union refrain from actively participating in the present Affair.

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